

Exhibit F

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE EASTERN DISTRICT OF PENNSYLVANIA

3 - - -
4 MLEA, INC., : NO. 02-CV-4393
 Plaintiff :
5 :
 vs. :
6 :
 ATLANTIC RECYCLED RUBBER, INC., :
7 RECOVERY TECHNOLOGIES GROUP, :
 INC., and CASELLA WASTE SYSTEMS, :
8 INC., :
 Defendants :

9 - - -
10 Oral deposition of GEORGE TIMBERLAKE, taken
11 pursuant to notice, held at the offices of
12 BUCHANAN INGERSOLL, P.C., 11 Penn Center,
13 14th Floor, 1835 Market Street, Philadelphia,
14 Pennsylvania, on Tuesday, November 18, 2003,
15 beginning at 10:15 a.m., before Kelly A. Draham,
16 Shorthand Reporter-Notary Public, there being
17 present.

18 - - -
19
20
21 ZANARAS REPORTING AND VIDEO
 REGISTERED PROFESSIONAL REPORTERS
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2 (It is hereby stipulated and agreed
3 by and between counsel for the respective parties
4 that sealing, certification and filing are waived
5 and that all objections, except as to the form of
6 the question, be reserved until the time of
7 trial.)

8 - - -

9 GEORGE TIMBERLAKE, after having been
10 first duly sworn, was examined and testified as
11 follows:

12 - - -

13 EXAMINATION

14 - - -

15 BY MR. McCORMICK:

16 Q. Mr. Timberlake, please state your name
17 for the record?

18 A. George Albert Timberlake, Jr.

19 Q. And who are you employed by at the
20 present time?

21 A. MLEA, Inc.

22 Q. Are you an owner of MLEA, Inc.?

23 A. I have a small amount of stock, yes.

24 Q. What percentage do you own in MLEA,

1 Inc.?

2 A. Let's see, it's -- if we consider the
3 amount that's held in the treasury as not being
4 part, then I've got 10 percent.

5 Q. Mr. Timberlake, in the discovery
6 portion of this litigation were you ever asked to
7 search your files for documents relating to the
8 Truro project?

9 A. Yes, quite a long time ago.

10 Q. When I say Truro project, just so we're
11 all on the same page, do you know what I mean by
12 that?

13 A. Yes, sir, I do.

14 Q. Okay. And what is that?

15 A. That's the project in Truro, Nova
16 Scotia having to do with a LiNC plant that we've
17 been going to supply.

18 Q. When you searched your files for
19 documents relating to this litigation were you
20 given any guidance by your attorney?

21 MR. KATAUSKAS: Object to
22 the form of the question and to
23 the extent that it calls for a
24 communication by a lawyer.

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1 MR. McCORMICK: Let me
2 rephrase the question.

3 BY MR. McCORMICK:

4 Q. How did you keep your files related to
5 the Truro project, Mr. Timberlake?

6 A. I had a project file for it.

7 Q. How large was the project file?

8 A. I don't know, sir. It was extensive.

9 Q. Did you have it broken down inside the
10 file by certain areas within the project?

11 A. Yes.

12 Q. What were some of those folders or
13 breakdowns?

14 A. I had an engineering section. There
15 was proposals. That's all that really comes to
16 mind. There are other sections.

17 Q. And you gave all of these documents to
18 your attorney?

19 A. I did.

20 Q. At the present time who are the owners
21 of MLEA, Incorporated?

22 A. Well, along with myself, Ted DelGaizo
23 is the largest owner, Fred Grasberry, Keith
24 Michael, Ray Stanzewski, and Manny Menendez. Is

1 that six?

2 Q. Yes, it is.

3 A. That would be it.

4 Q. Including you. Before you became a
5 partial owner in MLEA, Incorporated what was your
6 previous job before that?

7 A. I was a partial owner in Engineered Gas
8 Systems, LLP.

9 Q. Is Engineered Gas Systems the
10 predecessor to MLEA?

11 MR. KATAUSKAS: Object to
12 the form.

13 BY MR. McCORMICK:

14 Q. What happened to EGS, LLP?

15 A. Ultimately we rolled it in with Main
16 Line Engineering and made the both of them
17 together MLEA, Inc. Actually, that's not quite
18 accurate. We never did finish the paperwork for
19 ownership in the LLP. It didn't really last quite
20 long enough to do that. If it did, then I would
21 have been part owner.

22 Q. Let's go back to 1998. Who were you
23 employed by in 1998?

24 A. That would be -- let's see. I had just

1 the plant.

2 Q. What kind of plant was it?

3 A. It was an ASU.

4 Q. I'm sorry, what?

5 A. An air separation unit.

6 Q. And forgive my ignorance, but what does
7 an air separation unit do?

8 A. It breaks air down into its components,
9 oxygen, nitrogen and argon, which components are
10 used in various industries, and in particular this
11 one was for the steel industry. The primary
12 product was oxygen.

13 Q. When did you first become involved in
14 what we're referring to as the Truro project?

15 A. I think perhaps June or July of 2000.

16 Q. And how did you become involved?

17 A. At that time I had completed the
18 Banatine project and I was consulting in sales for
19 Messer AGS. And I was beating the bushes looking
20 for projects and this one came in through a Messer
21 salesman in Canada.

22 Q. And who was that?

23 A. Evon(ph) Mongulard.

24 Q. Why would this proposed project come to

1 you?

2 A. Well, at the time I was serving the
3 sole sales function for Messer AGS, Advanced Gas
4 Systems.

5 Q. After Mr. Mongulard provided you with
6 the lead what did you do next?

7 A. Well, he arranged a meeting in
8 Cambridge, not too far from Toronto, with
9 Jim Anderson. It was at -- if I can remember the
10 name of that specific -- I'm sorry, it's -- he had
11 a tire recycling business there.

12 Q. Are you trying to think of the name of
13 the business?

14 A. Yes.

15 Q. KTI?

16 A. Well, it -- no. It was a subsidiary, I
17 think, of KTI, but at the time I wasn't aware of
18 that. I didn't know how the structure was set up
19 at all. It was still questionable in my mind.

20 Q. So you met with Mr. Anderson?

21 A. Uh-huh.

22 Q. And would this have been in that
23 June-July time period of 2000?

24 A. Yes. Most likely that would be in

1 A. He had the technical responsibility for
2 this. And also, he was my boss as much as a
3 consultant has a boss. And he was involved from
4 the initial inception from the technical point of
5 view.

6 Q. At that time who did you understand the
7 customer to be?

8 A. Well, I thought it was Mr. Anderson.

9 Q. And who did Mr. Anderson work for?

10 A. Well, that's where I have a lapse. I'm
11 kind of thinking it might have been something like
12 Atlantic Recycling or something.

13 Q. Well, how about Atlantic Recycled
14 Rubber?

15 A. Yes, ARR.

16 Q. Okay.

17 A. His title was president. So, yes, sir,
18 Mr. President, what can we do for you, sir.

19 Q. When did Messer first make a proposal
20 to Mr. Anderson regarding the construction of this
21 plant?

22 A. I think the first proposal might have
23 been August, the first written proposal. I don't
24 believe I knew enough about the requirement at

1 that first meeting to make a hard, written
2 proposal other than the concept.

3 Q. And what was provided to you in the
4 interim that allowed you to make a proposal?

5 A. Mr. Anderson indicated to me how big
6 the -- what the capacity should be.

7 Q. Do you recall what that was?

8 A. It was 30 tons.

9 Q. Did you ever go to visit the actual
10 site where the plant would be?

11 A. Definitely. Twice.

12 Q. And when were those visits?

13 A. I can offer a reasonable guess on that.
14 Is that okay?

15 Q. Go ahead.

16 A. I think the first time might have been
17 in October of that year. And the second time
18 might have been in February or something like that
19 the following year because I remember it was a --
20 there was a considerable amount of snow around and
21 a lot of ice.

22 Q. In the summer then and earlier fall
23 2000, jumping back, when you were meeting with
24 Mr. Anderson then you were not meeting in Truro,

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1 you were meeting somewhere else?

2 A. In Cambridge.

3 Q. And do you recall how many times you
4 met with Mr. Anderson in Cambridge?

5 A. I don't know exactly, but there was the
6 initial meeting. There was another meeting
7 defining the equipment a little better. And then
8 after I became part of EGS, LLP there was a third
9 meeting. So I believe it was three.

10 Q. When in there did EGS, LLP form?

11 A. On or about the 1st of January in 2001.

12 Q. Well, during that fall of 2000 period
13 who was doing most of the negotiating with
14 Mr. Anderson?

15 A. That would be me.

16 Q. At that time you had only had two
17 meetings?

18 A. Uh-huh, but many phone calls and lots
19 of e-mails. He had other interests around the
20 world that he was working on. So, you know, you
21 kind of caught him as you could.

22 Q. Did Messer ever make a formal proposal
23 to Mr. Anderson during that period?

24 A. Yes.

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1 Q. Do you recall when that was?

2 MR. KATAUSKAS: Objection;

3 asked and answered.

4 BY MR. McCORMICK:

5 Q. You can answer.

6 MR. KATAUSKAS: Answer it
7 again.

8 THE WITNESS: In August.

9 MR. McCORMICK: Let's mark
10 this Timberlake-1.

11 - - -

12 (Whereupon the court reporter marked
13 Timberlake-1 for purposes of identification.)

14 - - -

15 BY MR. McCORMICK:

16 Q. Mr. Timberlake, just take a moment to
17 review this document. When you're finished just
18 let me know.

19 A. Yes, sir.

20 Q. Have you ever seen this document
21 before, Mr. Timberlake?

22 A. Yes. I wrote this one.

23 Q. Do you recall writing it in and around
24 that time period of September of 2000?

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1 record.

2 MR. KATAUSKAS: I'm sorry?

3 MR. McCORMICK: It's

4 previously been marked as

5 Menendez-1, which I already put

6 on the record.

7 MR. KATAUSKAS: I

8 understand. It's just easier if

9 the date is also on the record.

10 BY MR. McCORMICK:

11 Q. Mr. Timberlake, did you understand that
12 at this time in 2000, September of 2000, the
13 purchase of this plant was contingent on the
14 completion of the leasing agreement?

15 A. I did.

16 Q. But that leasing agreement was never
17 put in place; is that correct?

18 A. That's correct.

19 Q. It was also contingent on the
20 acceptance by Canadian and local authorities; is
21 that correct?

22 A. That's what it says.

23 Q. Was that your understanding at the
24 time?

1 finished let me know.

2 A. All right, sir.

3 Q. Mr. Timberlake, do you recall writing
4 this letter?

5 A. Yes, sir.

6 Q. You wrote it in or around February,
7 late February of 2001?

8 A. Uh-huh. Yes.

9 Q. In the first line you refer to your
10 boss, discussed your needs with your boss. Who
11 was your boss at that time?

12 A. That would be Ted.

13 Q. Ted DelGaizo?

14 A. Uh-huh. Yes, sir.

15 Q. Was this letter your first contact with
16 Mr. Kelley?

17 A. I don't know. I might have had
18 conversations with him before then.

19 Q. Do you recall having conversations with
20 Mr. Kelley before January of 2001?

21 A. I don't know.

22 Q. Excuse me?

23 A. I don't recall any conversations. That
24 doesn't necessarily mean there weren't any.

1 Q. Do you recall any conversations with
2 Mr. Kelley in February of 2001?

3 A. It would seem in reading this letter
4 that this is a result of questions that came up
5 and discussions that were between me and
6 Mr. Kelley.

7 Q. Is this about the time you recall
8 Mr. Kelley becoming involved in the Truro project?

9 A. I'm sorry, I don't recall.

10 Q. In the middle of the second paragraph
11 you state that you -- we have, and this is a
12 quote, we have way over-committed our company well
13 beyond the value of the orders. What do you mean
14 by that?

15 A. We were working on the installation of
16 this system and doing engineering related to
17 installation. We had no order for the turnkey.
18 We only had an order for the equipment.

19 Q. Did you ever receive an order for the
20 turnkey?

21 A. No.

22 Q. Did you ever receive a purchase order
23 for the full value of the turnkey plant?

24 A. No.

1 basis.

2 Do you need more details?

3 BY MR. McCORMICK:

4 Q. Would this lease have required EGS to
5 own the equipment?

6 A. Again, referring to my limited
7 understanding how this works, it's my
8 understanding under this condition the equipment
9 would be owned by EGS, would be on EGS's books
10 offset by the long-term liability. It's something
11 like a mortgage where you own your house but you
12 still owe them money.

13 Please bear in mind I'm not a
14 financial guy, but that's my humble understanding
15 of this difficult subject.

16 Q. But you were negotiating these terms on
17 behalf of Engineered Gas Systems at this time?
18 You were the primary --

19 A. Yes. Inasmuch as I'm not a financial
20 guy, I am a lot more exposed to this kind of thing
21 than Manny would be or anybody else in the
22 partnership.

23 Q. So there was a consideration then in
24 the spring of 2001 that EGS --

1 A. Yes.

2 Q. -- could take ownership of this
3 equipment?

4 A. I'm surprised that -- I thought that
5 our first offer like this was under MLEA, Inc.,
6 but clearly it was not. It was under EGS. That
7 surprises me. I stand corrected. I didn't recall
8 that.

9 Q. If you could turn to page 4 of that
10 letter too?

11 A. (Witness complies.)

12 Q. You discuss conversations with
13 Mr. Cohen of National Fleet Leasing?

14 A. Yes.

15 Q. Were you the representative of
16 Engineered Gas Systems who was discussing these --

17 A. Yes.

18 Q. -- different options with Mr. Cohen?

19 A. Yes.

20 Q. Do you recall ever sending Mr. Cohen
21 any information, or e-mails, or correspondence at
22 this time frame regarding these new options?

23 A. I don't know if this was all verbal or
24 if there was other discussion. I don't know.

1 financing because I would have expected them to
2 pay cash for the thing.

3 Q. This document has already been marked
4 as Menendez-12. I'm not going to re-mark it right
5 away. You can take a look at it.

6 A. All right, sir.

7 Q. Mr. Timberlake, did you attend a
8 meeting on May 18, 2001 with Marty Sergi?

9 A. I attended a meeting in that time frame
10 and that could well be the date.

11 Q. Are these your notes?

12 A. No, these are not my notes.

13 Q. Have you ever seen these notes before?

14 A. No.

15 Q. You can put it aside then. I'm not
16 going to question you on it.

17 Other than Rick Kelley did you ever
18 deal with any other Casella employee regarding the
19 Truro project?

20 A. When I first met Marty Sergi he was a
21 Casella employee.

22 Q. And do you recall when Mr. Sergi first
23 became involved in this project?

24 A. No, sir, I don't.

1 Q. Was it in the spring of 2001?

2 A. From the documents that I've looked at
3 here it would seem that that would be the case
4 because his name is mentioned on those.

5 Q. Would it have been before or after
6 Mr. Kelley became involved?

7 A. I don't know that answer, sir.

8 Q. During the summer of 2001 were you
9 still negotiating with Recovery Technologies
10 regarding the Truro project?

11 A. Yes. We were -- as I recall, we were
12 putting together a method to turn the equipment
13 directly over to RTG during that period, yes.

14 Q. And who were you negotiating with at
15 that time?

16 A. Bill Meckert and Bob Wetzel.

17 Q. During this time when the two sides
18 were discussing the 15-ton versus 30-ton plant
19 where had the idea for a 30-ton plant arisen?

20 A. Initially?

21 Q. Initially, I'm sorry.

22 A. Mr. Anderson. We have no expertise at
23 all in the -- we wouldn't have any idea what it
24 would take to do that.

1 A. Yes, sir.

2 Q. Is this a document that you prepared?

3 A. Yes.

4 Q. And did you prepare both pages of this
5 document?

6 A. Yes.

7 Q. And in your first sentence you said
8 that we have designed a system specifically to
9 meet the needs of the RTG facility in Nova Scotia,
10 Canada. What needs were you referring to?

11 A. Thirty-tons per day, ninety-five
12 percent nitrogen.

13 Q. And if you go down to the -- I guess
14 the second full paragraph, the fourth sentence
15 says all equipment referenced herein is in stock.
16 However, it will be necessary to skid some of the
17 equipment before shipment and, of course, install
18 and start up the system on site.

19 Where was the equipment in stock?

20 A. I don't know.

21 Q. When you say all the equipment
22 referenced herein is in stock did you mean that
23 none of the equipment would be custom
24 manufactured, it would all be stock equipment?

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1 A. It would all be stock components.

2 Q. And what did you do to determine
3 whether or not that equipment was in stock?

4 A. I asked.

5 Q. And who did you ask?

6 A. That would have been Manny and Roderik
7 Alewijnse.

8 Q. And the equipment you're referring to,
9 was that equipment that Messer then had in stock?

10 A. Yes.

11 Q. So it was equipment that you didn't
12 have to order from any third-party vendor;
13 correct?

14 A. No, but it did have to be put together.

15 Q. Now, in this case one of the things
16 that MLEA is seeking is recovery for invoices to
17 third-party vendors; correct?

18 A. Uh-huh.

19 Q. And rather than provide equipment that
20 MLEA had in stock it went out and ordered
21 equipment from third-party vendors?

22 A. This stuff was sold before the deal was
23 transferred to MLEA.

24 MR. KATAUSKAS: I'm going

1 letter from yourself to Mr. Meckert. Is that a
2 letter you prepared?

3 A. Yes, sir.

4 Q. And in this letter you talk about the
5 normal lease cycle. Do you see that?

6 A. Yes.

7 Q. And you say the normal lease cycle will
8 jeopardize our April target date?

9 A. Uh-huh.

10 Q. Now, did you have any discussions with
11 anyone from National Fleet Leasing regarding what
12 a normal lease cycle would be?

13 A. No.

14 Q. And was this letter an effort on your
15 part to obtain a purchase order from ARR?

16 A. Yes.

17 Q. And you're proposing here that ARR
18 should sign on to purchase orders for a minimum
19 down payment?

20 MR. KATAUSKAS: Objection.

21 That's not what this letter says.

22 MR. O'RIORDAN: Let me ask
23 the question. Maybe he can give
24 me the answer rather than have

1 you answer for him.

2 MR. KATAUSKAS: No. I get
3 to object.

4 MR. O'RIORDAN: Well, you
5 can object but don't speak. If
6 you have an objection put the
7 objection --

8 MR. KATAUSKAS: It doesn't
9 say ARR. You're
10 mischaracterizing the document.
11 Don't show him a document and ask
12 him a question that's not based
13 on the document.

14 MR. O'RIORDAN: Can we hear
15 the question back, please?

16 MR. KATAUSKAS: You said
17 ARR.

18 MR. O'RIORDAN: I can show
19 him a document and ask him a
20 question on anything under the
21 sun.

22 MR. KATAUSKAS: That's
23 right, then the document is off
24 the table.

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1 MR. O'RIORDAN: No, it's
2 not off the table.

3 MR. KATAUSKAS: It's done.

4 MR. O'RIORDAN: No, it's
5 not done.

6 Can you read the question
7 back, please?

8 - - -

9 (Whereupon the reporter read back
10 the last question.)

11 - - -

12 MR. KATAUSKAS: Objection;
13 mischaracterizes the document.

14 MR. O'RIORDAN: It's a
15 question.

16 MR. KATAUSKAS: You can
17 answer it.

18 THE WITNESS: I'm proposing
19 that someone pay a down payment.

20 BY MR. O'RIORDAN:

21 Q. An earlier purchase order we had talked
22 about was with ARR; correct?

23 A. Correct.

24 Q. And it was your understanding that you

1 A. No. See, that restriction was lifted a
2 few days after these orders were issued.

3 Q. Why was the restriction lifted, if you
4 know?

5 A. I don't know.

6 Q. Did you have any discussion with anyone
7 from RTG or ARR regarding the lifting of that
8 restriction?

9 A. I can't recall.

10 Q. Did you ever have any discussion with
11 anyone from RTG or ARR including Mr. Meckert,
12 Mr. Benison, Mr. Sergi, anybody, regarding those
13 two purchase orders that we talked about being for
14 any amount above the \$298,000 figure that you and
15 I just discussed?

16 A. Yes. This was the down payment on the
17 equipment and we were moving into the purchase of
18 the equipment.

19 Q. And when you say we were moving in you
20 mean --

21 A. Messer.

22 Q. -- Messer?

23 A. Uh-huh.

24 Q. But you had no discussion with anyone

1 from RTG or ARR regarding any intention on their
2 part to issue purchase orders or enter into
3 agreements for amounts over and above the
4 \$298,000?

5 A. They were going to sign the lease
6 agreement for the turnkey project.

7 Q. I'm talking strictly now about the
8 ordering of --

9 A. Not on this. This was a stop-gap
10 measure to allow for the lease agreement later.

11 Q. And we can agree that that lease
12 agreement was not something that was ever signed;
13 correct?

14 A. That's correct.

15 Q. So other than the stop-gap measure
16 involving purchase orders for \$298,000, you never
17 had any agreement or any discussion with anyone
18 from ARR or RTG about their willingness to pay any
19 amounts more than the \$298,000 for the equipment
20 that was on those purchase orders?

21 A. Yes, I did.

22 Q. And who did you have that discussion
23 with?

24 A. Bob Wetzel.

1 MR. KATAUSKAS: Objection;
2 asked and answered already. He's
3 already answered that.

4 MR. O'RIORDAN: I just
5 asked him another question and it
6 has to do with this particular
7 point in time. It hasn't been
8 asked and answered.

9 MR. KATAUSKAS: It has been
10 asked and answered. Read it
11 back, please.

12 - - -

13 (Whereupon the reporter read back
14 the last question.)

15 - - -

16 THE WITNESS: I had a
17 letter of intent. I had purchase
18 orders for a down payment on
19 equipment. And I believe that
20 the equipment was sold, so. I
21 also believed that the lease was
22 imminent. It was represented to
23 me by RTG that the lease was
24 imminent. The ball was in their

1 court.

2 BY MR. O'RIORDAN:

3 Q. Let me go back. You just said you
4 believed the equipment was sold?

5 A. Uh-huh.

6 Q. What equipment are you referring to?

7 A. The list.

8 Q. The equipment that's on the \$298,000
9 purchase order?

10 A. Yes.

11 Q. And you believe that equipment was sold
12 to whom?

13 A. To RTG.

14 Q. And who sold it to RTG?

15 A. That would be me. The only thing I
16 didn't have was a signed turnkey agreement but I
17 did have a letter of intent. I had down payments
18 on the equipment and I had RTG telling me that
19 they would send the information out imminently for
20 the lease. And I knew that Casella was the parent
21 company and that these were wholly-owned
22 subsidiaries. I had no concern with that.

23 Q. Did you ever have any discussion with
24 anyone as to whether or not Casella was going to

1 guarantee any action by ARR or RTG?

2 A. They were wholly-owned subsidiaries.

3 Q. I understand. I'm just asking about
4 any discussion you may have had?

5 A. No.

6 Q. With respect to this equipment that you
7 say was sold, did anyone from RTG or ARR ever
8 agree that they would purchase the equipment as
9 opposed to paying you a down payment as you had
10 requested in your letter?

11 MR. KATAUSKAS: Again,
12 objection; asked and answered.

13 MR. O'RIORDAN: He just
14 raised the issue. So I want to
15 go back and clear it up.

16 MR. KATAUSKAS: He raised
17 the issue in response to another
18 question that was asked and
19 answered.

20 MR. O'RIORDAN: And he's
21 bringing in ambiguity.

22 MR. KATAUSKAS: He's
23 answered the question.

24 MR. O'RIORDAN: Okay.

1 up.

2 BY MR. O'RIORDAN:

3 Q. And were you referring here to
4 producing the entire 30 tons per day at any
5 particular price?

6 A. No, sir. It doesn't say any particular
7 price.

8 Q. And I'm asking when you were making
9 this statement did you have in mind the inability
10 to produce 30 tons at a particular price or were
11 you just talking about a shortfall in quantity?

12 A. I don't know what I had in mind to use
13 this.

14 Q. Mr. Timberlake, earlier we were talking
15 about some plans, I believe two sets of plans and
16 specifications that were delivered in the late
17 summer or early fall of 2001. Do you recall that?

18 A. Yes, sir.

19 Q. Did anyone from ARR or RTG ever agree
20 to pay MLEA or EGS for the preparation of those
21 plans?

22 A. They were security -- ultimately they
23 did. One of the invoices that Mr. Wetzel agreed
24 to pay was for that work.

1 Q. Prior to you doing that work did
2 anyone -- you meaning MLEA.

3 A. Yes.

4 Q. Did anyone from ARR or RTG agree to pay
5 for that work?

6 A. We were assuming -- yeah. It would
7 have been included in the lease, the engineering
8 wise. And it was our feeling that they -- that
9 RTG was sincere and that it would follow from
10 here. And we'd go to the lease, and then we'd go
11 to the equipment, and the engineering, and the
12 start-up, and all that's necessary to put together
13 the plans.

14 Q. I understand your feeling and I
15 appreciate your views of someone else's sincerity.
16 But did anyone from RTG or ARR ever agree to pay
17 for those plans before you actually worked on
18 those plans?

19 A. Only in the letter of intent.

20 Q. Where in the letter of intent does it
21 say that they're going to pay for any plans?

22 A. It says that they're going to buy a
23 plant. You don't have a plant without plans.

24 Q. And is there a price that they were

1 the power company, was met. And the second
2 condition was met to the extent that the ball was
3 in RTG's court.

4 Q. At what point in time did you believe
5 that EGS had a binding order to build a plant, if
6 at all?

7 A. I didn't believe that we had an order
8 for a turnkey plant. I believe we had an order
9 for equipment that was binding and that's pretty
10 much it.

11 Q. When you say you had an order for
12 equipment do you mean beyond the down payment, the
13 \$298,000?

14 A. Yeah. It became obvious later on that,
15 in fact, RTG intended to construct the plant from
16 the equipment that we were supplying.

17 Q. When you say it became obvious from the
18 equipment that you were buying, are you referring
19 to anything other than those purchase orders that
20 we discussed earlier?

21 A. Yes. I'm referring to the agreement
22 with Mr. Wetzel, who wanted to take possession of
23 the equipment. Now, why would he want to do that
24 if he didn't intend to build a plant from it?

1 A. What he said he wanted was all the
2 invoices.

3 Q. That's not my question. My question is
4 a simple one.

5 Had you and Mr. Wetzel, prior to you
6 sending those invoices over, discussed at all the
7 possibility of Mr. Wetzel paying EGS's engineering
8 fees?

9 A. No, but we didn't discuss the
10 possibility of him paying for the compressor
11 either.

12 Q. And was the compressor on one of the
13 earlier purchase orders?

14 A. It was.

15 Q. I'm sorry?

16 A. Yes.

17 Q. But the engineering fees were not;
18 correct?

19 A. Yes, they were.

20 Q. The engineering fees were on one of the
21 earlier purchase orders?

22 A. They're on one of the -- what there is
23 here is a list of invoices.

24 Q. Why don't we make it somewhat easier?